

SeSa S.p.A.

Report on the Remuneration Policy and Payments Made

Drawn up in compliance with article 123-ter of Legislative Decree 58/1998, as subsequently amended, and article 84-quater of Consob Regulation 11971/1999, as subsequently amended

Approved by the Board of Directors on 14 July 2020.

GLOSSARY

Self-Governance Code: the current Self-Governance Code of listed companies approved in July 2018 by the Committee for Corporate Governance and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, available for consultation www.borsaitaliana.it, in the section “Borsa Italiana – Regulation – *Corporate Governance*”.

Civ. Code / c.c.: the Italian Civil Code, as approved by Royal Decree no. 262 of 16 March, as subsequently amended and supplemented

Board or Board of Directors: the Board of Directors of the Issuer.

Listing Date: the date from which the Issuer's ordinary shares and warrants are admitted to trading on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A., i.e. 22 October 2013.

Year: the business year to which the Report refers. Taking into account that the Company's business year ends on the 30th of April, the period between 1 May 2019 and 30 April 2020.

Group: the Sesa Group

Instructions for Regulation of the Borsa: the Instructions for Regulation of the markets organised and managed by Borsa Italiana S.p.A.. (as subsequently amended).

SeSa, Issuer or Company: the issuer of listed stocks to which the Report.

Regulation of the Borsa: the Regulation of the markets organised and managed by Borsa Italiana S.p.A.. (as subsequently amended).

Issuers' Regulation: Consob Regulation no. 11971 of 14 May 1999, as subsequently amended.

Regulation of Related Parties: Consob Regulation no. 17221 of 12 March 2010 relating to transactions with related parties, as subsequently amended.

Report on the Remuneration Policy and Payments Made: this report, which the Company is obliged to prepare in compliance with article 123-*ter* of the TUF.

TUF: Legislative Decree 58 (Consolidated Law on Finance) dated 24 February 1998 (as subsequently amended).

REPORT ON THE REMUNERATION POLICY AND PAYMENTS MADE

This Report on the Remuneration Policy and Payments Made has been drawn up in compliance with article 123-ter of the TUF, as subsequently amended, and article 84-quater of the Issuers' Regulations, as subsequently amended, and has been prepared in compliance with Annex 3A, Schedule 7-bis and Schedule 7-ter of the Issuers' Regulations.

The Report on the Remuneration Policy and Payments Made is divided into the following sections:

- Section I clearly and comprehensibly outlines SeSa's policy on the remuneration of Company Directors and Executives with strategic responsibilities for at least the following year and, notwithstanding the provisions of article 2402 c.c., of Statutory Auditors (hereinafter the “**Remuneration Policy**”), as well as the procedures used for the adoption and implementation of said policy;
- Section II clearly and comprehensibly outlines, by name, the remuneration attributed to the Company's Directors and Statutory Auditors and in aggregate form for the remuneration attributed to SeSa's Executives with strategic responsibilities¹. More specifically, Section II:
 - (a) provides an adequate representation of each of the items constituting remuneration, including the procedures envisaged in the event of expiry of office or termination of employment, highlighting their consistency with the Company's remuneration policy for the Year;
 - (b) analytically illustrates the remuneration paid during the Year, for any reason and in any form, by the Company and its subsidiaries or associated companies, indicating any components of the aforesaid remuneration that refer to activities carried out in financial years prior to the year of reference and also highlighting the remuneration to be paid in one or more subsequent years for activities carried out during the Year, indicating, where appropriate, an estimated value for components that cannot be objectively quantified during the Year;
 - (c) illustrates how the Company took into account the vote cast the previous year on the second section of the report.

Section II also contains:

- i)* information relating to the shareholdings held, in SeSa and its subsidiaries, by members of the administrative and auditing bodies, general managers and other Executives with strategic responsibilities in the Company as well as by spouses who are not legally separated and by minor children, directly or through subsidiaries, trusts or third parties, resulting from the shareholders' register, communications received and other information acquired by the same members of the administrative and auditing bodies, general managers and Executives with strategic responsibilities, in compliance with the provisions of article 84-quater, paragraph 4, of the Issuers' Regulations;
- ii)* data relating to the financial instruments assigned in implementation of the plans approved in compliance with article 114-bis of the Consolidated Law on Finance, pursuant to article 84-bis, paragraph 5, of the Issuers' Regulations.

Pursuant to Article 123-ter, paragraphs 3-bis and 3-ter, TUF, as amended by article 3, paragraph 1, of Legislative Decree no. 49 of 10 May 2019, after examination and approval by the Board of Directors, the Remuneration Policy is submitted to the binding vote of the Shareholders' Meeting, while, with regard to the second section of the Report on Remuneration paid for the financial year 2019-2020, pursuant to art. 123-ter, paragraph 6, TUF, the Board of Directors, having examined and approved this section, submits it to the consultative vote of the aforesaid Shareholders' Meeting called to approve the financial statements as at 30 April 2020.

SECTION I

This Section of the Report on the Remuneration Policy and Payments Made describes the key elements of the Remuneration Policy adopted by the Company, which defines the aims pursued, the principles and guidelines to which

¹ In compliance with Annex 3A, Schedule 7-bis of the Issuers' Regulations, the remuneration of Executives with strategic responsibilities is shown in aggregate as none of them received a higher overall remuneration during the Year than the highest overall remuneration attributed to the Directors.

the Group adheres in determining and monitoring the application of the remuneration practices of Directors, Executives with strategic responsibilities and, notwithstanding the provisions of article 2402 of the Italian Civil Code, of the Statutory Auditors.

The Remuneration Policy was approved by the Board of Directors on 14 July 2020, as proposed by the Remuneration Committee.

The Remuneration Policy has been prepared in compliance with article 6 of the Self-Governance Code, and in accordance with the Regulations on Related Parties and article 9 of the internal procedure entitled "Procedure for transactions with Related Parties" adopted by the Board of Directors (the "**Related Parties Procedure**").

In compliance with the provisions of the Regulations on Related Parties, as implemented in SeSa's Procedure for Transactions with Related Parties - available on the Company's website www.sesa.it, in the "Corporate Governance" section - the submission of a report illustrating the Remuneration Policy to the Shareholders' Meeting for approval exempts the Company from applying the aforesaid procedure in the resolutions of the Board of Directors concerning the remuneration of Directors and Executives with strategic responsibilities, as long as the latter are consistent with the Remuneration Policy.

It should also be noted that, in compliance with art. 2.2.3, par. 3, lett. o) of the Regulation of the Borsa, restricted to issuers in possession of STAR qualification, the remuneration of directors is regulated with respect for the principles and applicative criteria 6.C.4, 6.C.5 and 6.C.6 envisaged by art. 6 of the Code.

On this matter, you are reminded that, in compliance with art. IA.2.10.1 of the Regulations of the Borsa, in order to obtain (and, therefore, maintain) STAR qualification, it is necessary for a significant part of the remuneration of executive directors, general managers and other executives with strategic responsibilities to be linked, also in the form of remuneration plans based on financial instruments or profit sharing, to the economic results achieved by the Issuer and/or to the achievement of specific targets set not exclusively in the short term.

a) **Bodies or parties involved in the preparation and approval of the remuneration policy, specifying their respective roles, as well as the bodies or parties responsible for the correct implementation of said policy**

The main parties and bodies involved in the preparation and approval of the Remuneration Policy are the Shareholders' Meeting, the Board of Directors and the Remuneration Committee.

Board of Directors

The Board of Directors:

- constitutes an internal Remuneration Committee;
- draws up the Remuneration Policy as proposed by the Remuneration Committee;
- in compliance with the Remuneration Policy, it determines the remuneration of Directors who hold special offices in compliance with the overall remuneration determined by the Shareholders' Meeting pursuant to article 2389, paragraph 3, of the Italian Civil Code. after consulting the Board of Statutory Auditors, and after hearing the opinion of the Remuneration Committee;
- approves the Report on the Remuneration Policy and Payments Made, in compliance with article 123-ter of the TUF and article 84-quater of the Issuers' Regulations;
- prepares any share-based remuneration plans or other financial instruments for directors, employees and collaborators, including executives with strategic responsibilities, submits them to the Shareholders' Meeting for approval pursuant to article 114-bis of the TUF and ensures their implementation.

Remuneration Committee

For details on the composition, powers and operating procedures of the Remuneration Committee, please see paragraph b) below.

Shareholders' Meeting

With regard to remuneration, the Shareholders' Meeting:

- determines the remuneration of the members of the Board of Directors pursuant to article 2364, paragraph 1, no. 3) of the Italian Civil Code and pursuant to article 2389, paragraph 3, of the Italian Civil Code and article 15 of the Articles of Association;
- expresses, starting from the Remuneration Policy for 2020-2021, a binding vote on Section I of the Report on the Remuneration Policy and Payments Made;

– expresses a consultative vote on Section II of the Report on the Remuneration Policy and Payments Made.

b) The possible intervention of a remuneration committee or other committee competent on the subject, describing its composition (with the distinction between non-executive and independent directors), its powers and its operating methods

On 25 June 2013, the Company's Board of Directors, in compliance with the Code, set up a Remuneration Committee.

The Remuneration Committee is made up of non-executive Directors, most of whom are independent.

On this matter, you are reminded that, following the renewal of the company boards by the Shareholders Meeting on 24 August 2018, during the meeting held on the same date, the Issuer's Board of Directors had appointed, until the approval of the financial statements for the financial year ending 30 April 2021, the following members of the Remuneration Committee: Luigi Gola (Independent Director and Chairman), Angela Oggionni (Independent Director) and Maria Chiara Mosca (Independent Director).

On this matter, it should be noted that, following the resignation of Luigi Gola on 27 August 2019 and his replacement, by co-optation, with Mr Claudio Berretti, which took place on the same date, the Board of Directors supplemented the composition of the Remuneration Committee by appointing Claudio Berretti in place of Luigi Gola, and assigning the role of Chairman of the Committee to Angela Oggionni.

Consequently, the Remuneration Committee is currently composed of the Directors Angela Oggionni (Independent Director and Chairman of the Committee), Maria Chiara Mosca (Independent Director), Claudio Berretti (Non-executive Director).

It should be noted that, in the Issuer's opinion, in accordance with and by the effects of art. 6.P.3 of the Self-governance Code, all the members of the Remuneration Committee are recognised as possessing adequate knowledge and experience of financial matters or remuneration policies, as assessed by the Board at the time of appointment of the Committee members.

No Director takes part in the meetings of the Remuneration Committee in which proposals to the Board of Directors relating to his/her remuneration are formulated.

Functions assigned to the Remuneration Committee

The Remuneration Committee is a consultative and propositional body with the task of formulating proposals to the Board of Directors for the definition of the remuneration policy for Directors and executives with strategic responsibilities.

The setting up of this Committee guarantees the most extensive information and transparency on payments due to Executive Directors, as well as the respective methods used to determine them. It is, however, understood that, in compliance with art. 2389, par. 3 c.c., the Remuneration Committee holds propositional functions only, while the power to determine the remuneration of the Directors holding special offices is handled by the Board of Directors, having heard the opinion of the Board of Statutory Auditors.

In accordance with the resolution passed by the Board of Directors on 25 June 2013, in accordance with the Remuneration Committee Regulation adopted by the Board on 23 December 2013, and in compliance with the provisions of art. 2.2.3, paragraph 3, letter o) of the Borsa Italiana Regulations, limited to issuers with STAR qualification, in addition to the that envisaged by the Remuneration Policy, the Remuneration Committee is entrusted with the tasks indicated in art. 6 of the Self-Governance Code and, in particular:

- proposing the adoption of the policy for remuneration of Directors and executives with strategic responsibilities and any amendments and/or integrations of the same, with reference to the group as a whole. Therefore, the retributive policies of the group's two main subsidiaries, Computer Gross S.p.A. and Var Group S.p.A. will be analysed and a check will be run to ensure that there are no more executives with strategic responsibilities within the group setting;
- regularly assessing the adequacy, the overall consistency and the tangible application of the policy for the remuneration of directors and executives with strategic responsibilities of the SeSa Group, using the information supplied by the managing directors; formulating proposals on the matter to the Board of Directors;
- presenting proposals or expressing opinions to the Board of Directors on the remuneration of executive directors and other directors holding particular offices, as well as on the setting of performance targets related to the variable component of such remuneration; monitoring the application of the decisions adopted by the Board verifying, in particular, the achievement of the performance targets.

Regulation of the Remuneration Committee approved by the Board on 23 December 2013

In compliance with that envisaged by art. 4, applicative criterion 4.C.1, lett. e) of the Self-governance Code, in the pursuit of its functions, the Remuneration Committee has the faculty to access information and the business functions necessary for the pursuit of its tasks, also engaging external consultants with expertise in remuneration policies, with prior verification that they are not in situations that compromise their independence of judgement.

In compliance with the Regulation of the Remuneration Committee, the Committee Chairman is responsible for planning and coordinating the Committee's activities, presiding over and guiding the relative meetings, representing the Committee at the meetings of the Board of Directors, and signing the opinions and any reports to be submitted to the Board of Directors, in the Committee's name. When absent or impeded in any way, the Chairman is replaced for all purposes by the eldest Committee member.

In compliance with the above Regulation, the Committee meets as often as is necessary for the pursuit of its functions or when the Chairman sees fit, also by request of one or more of its members.

The meeting is called by the Chairman or whomsoever is acting in his stead, using any means suitable to reach all those concerned, including phone calls and e-mails, at least two business days before the date set for the meeting, apart from in emergencies, in which case a shorter period of notification is allowed. The call to the meeting must also be brought to the attention of the Chairman of the Board of Statutory Auditors.

The Committee meetings are held - also by audio or video-conference - at the registered office or in another place, and are presided over by the Chairman or, in the event of his absence or impediment, by the eldest Committee member.

For the meetings to be valid, the presence of the majority of the members is required. Minutes are drawn up of the meetings of the Remuneration Committee. The Board of Directors is informed by the Chairman of the resolutions passed by the Committee at the first useful meeting.

The work of the Committee is attended by the Chairman of the Board of Statutory Auditors or another auditor appointed by him. By invitation of the Chairman, the meetings of the Committee may be attended, in relation to the single items on the agenda, also by non-members of the committee whose contribution to the work is considered useful.

The participant who holds a personal interest or represents the interest of a third party with reference to the subject of the discussion, shall inform the Committee and abstain from taking part in the resolution, on the understanding that no director takes part in the meetings of the Committee in which proposals to the Board of Directors relating to his/her remuneration are formulated.

c) the names of any independent experts involved in the preparation of the remuneration policy

In defining the Remuneration Policy, the Company did not engage the services of independent experts.

d) the aims pursued with the remuneration policy, the principles underlying it and any changes in the remuneration policy compared to the previous financial year

The Remuneration Policy defines the aims pursued, the principles and guidelines to which the Group adheres in determining and monitoring the application of the remuneration practices of Directors, Executives with strategic responsibilities and, notwithstanding the provisions of article 2402 of the Italian Civil Code, of the Statutory Auditors.

The main aim of SeSa's Remuneration Policy for 1 May 2020 - 30 April 2021, in line with the provisions of the Remuneration Policy submitted to the consultative vote of the Shareholders' Meeting of 27 August 2019 is the alignment of the interests of management with those of the Company and shareholders in the medium-long term. The Remuneration Policy also contributes to the company's strategy and aims to promote the sustainability of the company's business in defining strategies and the Policy itself.

With these aims in mind, the Remuneration Policy is defined in such a way as to ensure an overall remuneration structure capable of acknowledging the managerial value of the individuals involved and the contribution made to the company's growth in relation to their respective skills and functions in order to attract, retain and motivate people with the professional qualities required to successfully manage the Company.

In particular, the Remuneration Policy is based on the inspiring principles indicated below with regard to the remuneration of Executive Directors and Executives with strategic responsibilities in SeSa:

- (i) remuneration is based on individual and/or Group performance, ensuring an adequate balance between individual and Group goals;

- (ii) the top management incentive system recognises a balance between the fixed and variable components in relation to the Company's strategic goals and risk management policy, also taking into account the characteristics of the business and the sector in which it operates;
- (iii) the fixed remuneration component is established taking into account the skills and responsibility of the office / function held by the person concerned and is, in principle, sufficient to remunerate their performance if the variable component is not paid due to failure to reach the targets assigned;
- (iv) the variable remuneration component - for which maximum limits are set - is related to the achievement of Group performance targets, which are (a) defined in relation to time, placed within a timescale in order to contribute to the creation of value in a way that is compatible with the Group's business development strategies; (b) verifiable ex post; (c) assigned to the person concerned in consideration of the office / function held within the Company and therefore graduated, where appropriate, also in relation to the specific qualitative result, taking into account the skills, tasks and responsibilities assigned;
- (v) remuneration and the relative evolution must be sustainable from an economic point of view, and therefore encourage management to assume business risks consistent with the Group's overall strategy and the relative risk profile defined by the Board of Directors;

With regard, however, to the Board of Statutory Auditors, the remuneration of its members, consisting exclusively of a fixed component, is decided by the Shareholders' Meeting at the time of appointment, pursuant to article 2402 of the Italian Civil Code.

e) description of the policies regarding fixed and variable remuneration components, with particular regard to the indication of the relative weight within the overall remuneration and distinguishing between short and medium/long-term variable components

The Remuneration Policy envisages the articulation of fixed and variable components (the latter being broken down into short and medium/long-term variable components) according to different principles and methods in relation to the different types of recipients.

The Company therefore deems it appropriate to divide the remuneration structure in relation to the executive/management skills and responsibilities acknowledged as held by the parties concerned and, consequently, to independently define the criteria for determining the remuneration of:

- (i) Non-executive Directors and Independent Directors;
- (ii) Directors holding special offices;
- (iii) Executive Directors;
- (iv) Executives with strategic responsibilities; and
- (v) Statutory Auditors.

(i) Non-executive Directors and Independent Directors of SeSa

Non-executive Directors are Directors who do not hold individual management mandates and who do not hold executive offices.

Independent Directors are Directors who meet the independence requirements envisaged by article 148, paragraph 3, TUF and article 3 of the Self-Governance Code.

Non-executive Directors are entitled to fixed remuneration determined by the Shareholders' Meeting pursuant to article 2389 of the Civil Code, as well as reimbursement of out-of-pocket expenses incurred in the fulfilment of their duties. If the Shareholders' Meeting has not already done so, the Board of Directors divides the total remuneration established by the Shareholders' Meeting. Non-executive Directors do not receive variable remuneration and are not recipients of remuneration plans based on financial instruments.

Independent Directors are entitled to fixed remuneration determined by the Shareholders' Meeting pursuant to article 2389 of the Civil Code, as well as reimbursement of out-of-pocket expenses incurred in the fulfilment of their duties. If the Shareholders' Meeting has not already done so, the Board of Directors divides the total remuneration established by the Shareholders' Meeting. Independent Directors do not receive variable remuneration and are not recipients of remuneration plans based on financial instruments.

Non-executive Directors and Independent Directors may receive an additional fixed annual fee as members of the Committees established within the Board of Directors, with a possible increase if the Director holds the office of Committee Chairman.

(ii) SeSa Directors holding special offices

The Director who holds the office of Chairman of the Board of Directors may be awarded an additional fixed annual fee as established by the Board of Directors, with the approval of the Remuneration Committee, in compliance with any overall amount established by the Shareholders' Meeting.

In particular, the fixed remuneration due to the Chairman of the Board of Directors is not linked to the achievement of goals, but commensurate with the responsibilities and skills associated with the office of Chairman.

The Director who holds the office of Chairman and also qualifies as an Executive Director may be paid short-term variable remuneration and medium/long-term variable remuneration for each year of office, as established by the Board of Directors, with the approval of the Company's Remuneration Committee.

(iii) Executive Directors

Executive Directors are paid short-term variable remuneration and medium/long-term variable remuneration for each year of office, as established by the Board of Directors, with the approval of the Company's Remuneration Committee.

The variable remuneration is subject to the achievement of specific goals, as indicated by the Board of Directors, with the approval of the Remuneration Committee.

(A) Fixed component

The fixed remuneration component (including any fixed component assigned where the Executive Director also holds the office of Chairman of the Board of Directors and/or Executive with strategic responsibilities) is commensurate with the responsibilities and skills associated with the office / function held by the individual concerned. This component, which is not linked to the achievement of performance objectives, is determined as an amount sufficient to remunerate (also taking into account any amount paid if the Executive Director also holds the office of Chairman of the Board of Directors and/or the function of Executive with strategic responsibilities) the performance of the Executive Director if the variable components pursuant to letters (B) and (C) below are not paid.

It is understood that the Company has the right to apply the provisions of this letter (A), insofar as they are compatible, also to the Executive Directors of subsidiaries pursuant to article 93 of the TUF.

(B) Short-term variable component

The short-term variable component (including any short-term variable component where the Executive Director also holds the office of Chairman of the Board of Directors with executive functions and/or the office of Executive with strategic responsibilities) may consist of monetary incentive plans and/or incentive plans based on financial instruments pursuant to article 114-bis of the TUF.

(B.1) Monetary incentive plans

The short-term variable component is determined on the basis of the achievement of pre-defined annual quantitative targets related to performance indices.

The Remuneration Policy envisages the application of a calculation system in order to determine a link between the change in company results and the change in remuneration. In particular, the short-term variable component is determined using a calculation system that takes into account the positive or negative deviation from performance targets, such as, inter alia, the EBITDA and NFP parameter at consolidated Group level (the "**Executive Directors' MBO Target**") as indicated by the Board of Directors after consulting the Remuneration Committee. If 100% of the Executive Directors' MBO target is met (underperformance threshold), this calculation system envisages the payment of the maximum bonus available, equal to 100% of the bonus, which is the variable remuneration cap; if the minimum limit, set at 60% of the Target, is reached, the Beneficiary will be entitled to 50% of the bonus; if between 60% and 100% of the Target is reached, the Beneficiary will be entitled to a bonus between 50% and 100% in a linear progression.

If 100% of the Executive Directors' MBO target is met, the short-term variable component will be equal to 15% of the fixed component paid to the Executive Director who is also Chairman and approximately 50% of the fixed component paid to the Executive Director.

(B.2) Incentive plans based on financial instruments pursuant to article 114-bis of the TUF

With reference to incentive plans based on financial instruments pursuant to article 114-bis of the TUF, in line with the best comparable market practices which may envisage vesting periods, the Ordinary Shareholders' Meeting had approved, in accordance with and by the effects of art. 114-bis of the TUF, the creation of an incentive and loyalty plan called the "2018-2020 Stock Grant Plan", which envisages the right of the executive directors of SeSa S.p.A. and of the two board members appointed to the commercial management of the subsidiaries Computer Gross S.p.A. and Var Group S.p.A. to freely receive a total number of up to 189,000 shares upon reaching annual and three-year targets.

The characteristics of the 2018-2020 Stock Grant Plan, including the conditions and requirements for its implementation, are described in the report drawn up in compliance with Article 84-bis of the Consob Issuers' Regulations. Details of the "2018-2020 Stock Grant Plan" can be found on the Company's website at www.sesa.it in the "Investor Relations - Shareholders' Meetings" section. To this end, it should be noted that the aforementioned 2019-2020 Stock Grant Plan approved by the Ordinary Shareholders' Meeting on 25 August 2017 expires at the end of the year.

Consequently, the Remuneration Policy for 2020-2021 includes the activation of a new incentive and loyalty plan reserved for executive directors of Sesa S.p.A. (two of which also hold the role of Executive with strategic responsibilities) or of the subsidiaries Var Group S.p.A. and Computer Gross S.p.A. ("2021-2023 Stock Grant Plan"), up to a maximum of 265,000 ordinary shares. This plan - which develops over the medium/long term and which also includes annual targets - was submitted by the Board of Directors on 14 July 2020 to the Ordinary Shareholders' Meeting called to approve the financial statements as at 30 April 2020.

The characteristics of the 2021-2023 Stock Grant Plan, including the conditions and requirements for its implementation, are described in the report drawn up in compliance with Article 84-bis of the Consob Issuers' Regulations. Details of the "2021-2023 Stock Grant Plan" can be found on the Company's website at www.sesa.it in the "Investor Relations - Shareholders' Meetings" section.

It is understood that the Company has the right to apply the provisions of this letter (B), insofar as they are compatible, also to the Executive Directors with strategic responsibilities of subsidiaries pursuant to article 93 of the TUF.

(C) Medium/long-term variable component

In order to create value for the Company in the medium/long term, it is possible to pay Executive Directors a medium/long-term variable component (including any medium/long-term variable component where the Executive Director also holds the office of Executive with Strategic Responsibilities) which consists of incentive plans based on financial instruments pursuant to article 114-bis of the TUF as detailed in the previous paragraph.

With reference to incentive plans based on financial instruments pursuant to article 114-bis of the TUF, it is envisaged that they be in line with comparable market best practices and that they envisage vesting periods. It is also deemed appropriate to envisage a calculation system that adequately considers the positive or negative deviation from specific targets - which can be measured ex post - as indicated by the Board of Directors, after consulting the Remuneration Committee.

To this end, it should be noted that the "2018-2020 Stock Grant Plan" adopted by the Issuer, had envisaged the right of the executive directors of SeSa S.p.A. and the two managing directors responsible for the commercial management of the subsidiaries Computer Gross S.p.A. and Var Group S.p.A. to receive a predetermined number of shares free of charge, subject to the achievement not only of short-term (annual) but also medium/long-term (three-year) performance targets. To this end, it should be noted that the aforementioned 2019-2020 Stock Grant Plan approved by the Ordinary Shareholders' Meeting on 25 August 2017 expires at the end of the year.

Consequently, the Remuneration Policy for 2020-2021 includes the activation of a new incentive and loyalty plan reserved for executive directors of Sesa S.p.A. (two of which also hold the role of Executive with strategic responsibilities) or of the subsidiaries Var Group S.p.A. and Computer Gross S.p.A. ("2021-2023 Stock Grant Plan"), up to a maximum of 265,000 ordinary shares. This plan - which develops over the medium/long term and which also includes annual targets - was submitted by the Board of Directors on 14 July 2020 to the Ordinary Shareholders' Meeting called to approve the financial statements as at 30 April 2020.

The characteristics of the 2021-2023 Stock Grant Plan, including the conditions and requirements for its implementation, are described in the report drawn up in compliance with Article 84-bis of the Consob Issuers' Regulations. Details of the "2021-2023 Stock Grant Plan" can be found on the Company's website at www.sesa.it in the "Investor Relations - Shareholders' Meetings" section.

If the Company carries out exceptional operations in terms of strategic importance and/or the effects on the results of the Company and/or the Group, the Board of Directors, after consulting the Remuneration Committee, has the power to award specific bonuses on a discretionary basis to Executive Directors and Directors with special duties, related strictly to their specific contribution to the above-mentioned operations.

(iv) Executives with strategic responsibilities

Executives with strategic responsibilities are those individuals who hold, either directly or indirectly, the power and responsibility for the planning, management and auditing of the Company's activities, as envisaged by article 65, paragraph 1-quater, of the Issuers' Regulation, which refers to Annex 1 of the Related Parties Regulation. As things stand, in addition to the two Executive Directors who also hold the office of Executives with strategic responsibilities, there are no other persons who hold this office in the Issuer's structure.

Directors with strategic responsibilities are paid short-term variable remuneration and may receive medium/long-term variable remuneration for each year of office, as established by the Board of Directors, with the approval of the Company's Remuneration Committee. The aforesaid remuneration will be determined taking into account the value generated in terms of improved equity and income results and/or the increase in the Company's capitalisation.

The variable remuneration shall be subject to the achievement of specific goals, as indicated by the Board of Directors, having consulted the Remuneration Committee.

In compliance with article 6.C.5 of the Self-Governance Code, the Remuneration Committee regularly assesses the adequacy, overall consistency and practical application of the Remuneration Policy for Executives with strategic responsibilities, making use of the information provided by the Managing Directors; it makes proposals on the subject to the Board of Directors.

(A) Fixed component

The fixed remuneration component is commensurate with the responsibilities and skills related to the role held by the individual concerned. This component, which is not linked to the achievement of performance objectives, is determined as an amount sufficient to remunerate the performance of Executive Directors with strategic responsibilities if the variable components pursuant to letters (B) and (C) are not paid.

It is understood that the Company has the right to apply the provisions of this letter (B), insofar as they are compatible, also to the Directors with strategic responsibilities of subsidiaries pursuant to article 93 of the TUF.

(B) Short-term variable component

The short-term variable component may consist of monetary incentive plans and/or incentive plans based on financial instruments pursuant to article 114-bis of the TUF.

(B.1) Monetary incentive plans

The short-term variable component is determined on the basis of the achievement of pre-defined annual quantitative targets related to performance indices, such as, inter alia, the EBITDA and NFP parameter at consolidated Group level.

As things stand, given that, in addition to the two Executive Directors who also hold the office of Executives with strategic responsibilities, there are no other persons who hold this office in the Issuer's structure, the short-term variable component may be determined on the basis of the achievement of the same annual quantitative targets related to performance indices - such as, inter alia, the EBITDA and NFP parameter at consolidated Group level - established for the variable monetary component envisaged for Directors with executive functions.

If 100% of the Executive Directors' performance target is met (underperformance threshold), this calculation system envisages the payment of the maximum bonus available, equal to 100% of the bonus, which is the variable remuneration cap; if the minimum limit, set at 60% of the Target, is reached, the Beneficiary will be entitled to 50% of the bonus; if between 60% and 100% of the Target is reached, the Beneficiary will be entitled to a bonus between 50% and 100% in a linear progression.

If 100% of the performance target is met, the short-term variable component will be roughly 50% of the fixed component paid to the Strategic Executive holding the office of Director.

(B.2) Incentive plans based on financial instruments pursuant to article 114-bis of the TUF

The short-term variable component may also consist of incentive plans based on financial instruments pursuant to article 114-bis of the TUF, in line with the best comparable market practices which may provide for vesting periods, including, by way of example, any stock grant plans that grant beneficiaries the right to receive Sesa shares free of charge, subject to the achievement of predetermined targets.

It is also deemed appropriate to envisage a calculation system that adequately considers the positive or negative deviation from specific targets - which can be measured ex post - as indicated by the Board of Directors, after consulting the Remuneration Committee.

To this end, it should be noted that the "2018-2020 Stock Grant Plan" adopted by the Issuer, had envisaged the right of the executive directors of SeSa S.p.A. (who also hold the position of Executives with strategic responsibilities) and the two executive directors of the subsidiaries Computer Gross S.p.A. and Var Group S.p.A. responsible for commercial management, to receive a predetermined number of shares free of charge, subject to the achievement of both short-term (annual) and medium/long-term (three-year) performance targets. To this end, it should be noted that the aforementioned 2019-2020 Stock Grant Plan approved by the Ordinary Shareholders' Meeting on 25 August 2017 expires at the end of the year.

Consequently, the Remuneration Policy for 2020-2021 includes the activation of a new incentive and loyalty plan reserved for executive directors of Sesa S.p.A. (two of which also hold the role of Executive with strategic responsibilities) or of the subsidiaries Var Group S.p.A. and Computer Gross S.p.A. ("2021-2023 Stock Grant Plan"), up to a maximum of 265,000 ordinary shares. This plan - which develops over the medium/long term and which also includes annual targets - was submitted by the Board of Directors on 14 July 2020 to the Ordinary Shareholders' Meeting called to approve the financial statements as at 30 April 2020.

The characteristics of the 2021-2023 Stock Grant Plan, including the conditions and requirements for its implementation, are described in the report drawn up in compliance with Article 84-bis of the Consob Issuers' Regulations. Details of the "2021-2023 Stock Grant Plan" can be found on the Company's website at www.sesa.it in the "Investor Relations - Shareholders' Meetings" section.

It is understood that the Company has the right to apply the provisions of this letter (B), insofar as they are compatible, also to the Executive with strategic responsibilities of subsidiaries pursuant to article 93 of the TUF.

(C) Medium/long-term variable component

In order to create value for the Company in the medium/long term, it is possible to pay Directors with strategic responsibilities a medium/long-term variable component which consists of incentive plans based on financial instruments pursuant to article 114-bis of the TUF as detailed in the previous paragraph.

With reference to incentive plans based on financial instruments pursuant to article 114-bis of the TUF, it is envisaged that they be in line with comparable market best practices and that they envisage vesting periods.

It is also deemed appropriate to envisage a calculation system that adequately considers the positive or negative deviation from specific targets - which can be measured ex post - as indicated by the Board of Directors, after consulting the Remuneration Committee.

To this end, it should be noted that the "2018-2020 Stock Grant Plan" adopted by the Issuer, had envisaged the right of the executive directors of SeSa S.p.A. (who also hold the position of Executives with strategic responsibilities) and the two executive directors of the subsidiaries Computer Gross S.p.A. and Var Group S.p.A. responsible for commercial management, to receive a predetermined number of shares free of charge, not only subject to the achievement of short-term (annual) performance targets, but also of those in the medium/long-term (three-years). To this end, it should be noted that the aforementioned 2019-2020 Stock Grant Plan approved by the Ordinary Shareholders' Meeting on 25 August 2017 expires at the end of the year.

Consequently, the Remuneration Policy for 2020-2021 includes the activation of a new incentive and loyalty plan reserved for executive directors of Sesa S.p.A. (two of which also hold the role of Executive with strategic responsibilities) or of the subsidiaries Var Group S.p.A. and Computer Gross S.p.A. ("2021-2023 Stock Grant Plan"), up to a maximum of 265,000 ordinary shares. This plan - which develops over the medium/long term and which also includes annual targets - was submitted by the Board of Directors on 14 July 2020 to the Ordinary Shareholders' Meeting called to approve the financial statements as at 30 April 2020.

The characteristics of the 2021-2023 Stock Grant Plan, including the conditions and requirements for its implementation, are described in the report drawn up in compliance with Article 84-bis of the Consob Issuers' Regulations. Details of the "2021-2023 Stock Grant Plan" can be found on the Company's website at www.sesa.it in the "Investor Relations - Shareholders' Meetings" section.

If the Company carries out exceptional operations in terms of strategic importance and/or the effects on the results of the Company and/or the Group, the Board of Directors, after consulting the Remuneration Committee, has the power to award specific bonuses on a discretionary basis to Executive Directors with strategic responsibilities, related strictly to their specific contribution to the above-mentioned operations.

It is understood that the Company has the right to apply the provisions of this paragraph e) (iv), insofar as they are compatible, also to Company employees other than Executives with strategic responsibilities.

(v) Statutory Auditors

The remuneration of Statutory Auditors, consisting exclusively of a fixed component, is determined annually for the entire term of office by the Shareholders' Meeting at the time of appointment, pursuant to article 2402 of the Italian Civil Code. Statutory Auditors also receive reimbursement of out-of-pocket expenses incurred in the fulfilment of their duties. Statutory Auditors may receive additional compensation as members of the Regulatory Body.

f) policy followed with regard to non-monetary benefits

The Remuneration Policy envisages the attribution of non-monetary benefits currently recognised in the remuneration practice and consistent with the office/function held.

In particular, in addition to plans based on financial instruments, non-monetary benefits may include, by way of example, any supplementary social security, insurance and health policies envisaged by the National Collective Bargaining Agreement for Executives in Industry and Commerce (e.g. Fondo Mario Negri, Fondo Pastore, Fasdac, Fasi and Previndai as well as life and non-occupational accident policies).

g) with reference to the variable components, a description of the performance targets on the basis of which they are assigned, distinguishing between short and medium/long-term variable components, and information on the link between the change in results and the change in remuneration

Reference should be made to paragraph e), point (iii), letter (B) for the short-term variable component and letter (C) for the long-term variable component for Executive Directors, and to paragraph e), point (iv), letter (B) for the short-term variable component and letter (C) for Executives with strategic responsibilities.

h) the criteria used to assess the performance targets underlying the assignment of shares, options, other financial instruments or other variable remuneration components

Short-term variable component

With reference to the short-term variable component paid to Executive Directors and Executives with strategic responsibilities, the Remuneration Policy states that the assessment of performance and communication of the degree of achievement of the targets assigned is a continuous process characterised by three key appointments over a twelve-month period:

- (i) the definition and sharing of targets for the year of reference as established by the Board of Directors, in consultation with the Company's Remuneration Committee;
- (ii) the disbursement of an advance payment equal to 50% of the variable monetary compensation against an interim performance assessment based on the consolidated half-yearly result (roughly in the middle of the year of reference), for the verification of the degree of achievement of the results in the first part of the year and for the analysis of any corrective actions;
- (iii) the final assessment of performance and communication of the degree of achievement of the targets assigned (within 10 days of the date of approval of the consolidated annual financial statements by the Board of Directors). Verification of the level of achievement of the targets for the previous year is the responsibility of the Remuneration Committee, with the support of the Administration, Finance and Audit function, which will submit its assessments to the Board of Directors for final determination of the measure of the variable component of the remuneration payable to the individual concerned.

If, for whatever reason, the Board of Directors does not define the targets for a year of reference, the Board of Directors, after consulting the Remuneration Committee, passes the necessary resolutions to determine the short-term variable

component, taking into account the performance of the Company and the Group, always in compliance with the principles of the Remuneration Policy.

If SeSa carries out extraordinary operations in terms of strategic importance and/or effects on the results of the Company and/or the Group or on their activities, the Board of Directors, after consulting the Remuneration Committee, will review the targets in order to make them consistent with the targets set by the Board of Directors.

Long-term variable component

The competent bodies will determine the methods and timing for the definition and verification, also in the interim, of the performance targets for incentive plans based on financial instruments pursuant to article 114-bis of the TUF, as well as any corrective measures to be applied to these targets.

i) information aimed at highlighting the consistency of the remuneration policy with the pursuit of the Company's long-term interests and with the risk management policy, where formalised

As better described in paragraph d) above, the Remuneration Policy is aimed at pursuing not only the short-term but also the medium/long-term interests of the Company.

With this aim in mind, the Remuneration Policy is defined in such a way as to ensure an overall remuneration structure capable of acknowledging the managerial value of the individuals involved and the contribution made to the company's growth in relation to their respective skills and functions in order to attract, retain and motivate people with the professional qualities required to successfully manage the Company.

To this end, the composition of the remuneration package paid to Executive Directors and Executives with strategic responsibilities is defined in accordance with the following criteria:

- to guarantee a direct link between remuneration and performance by means of mechanisms that establish the non-payment of bonuses in the event of failure to achieve the company's targets and overall profitability;
- to guarantee overall remuneration levels capable of recognising the professional value of people and their contribution to the creation of sustainable value, not only in the short term, but also in the medium to long term.

The remuneration of Statutory Auditors, on the other hand, is decided for the entire term of office by the Shareholders' Meeting at the time of appointment, assigning a fixed annual remuneration, pursuant to art. 2402 of the Italian Civil Code.

j) the vesting period, any deferred payment systems, with an indication of the deferral periods and the criteria used to determine such periods and, if applicable, the ex post correction mechanisms

With reference to incentive plans based on financial instruments pursuant to article 114-bis of the TUF, the Remuneration Policy envisages that they be in line with comparable market best practices and that they envisage vesting periods.

As far as monetary components are concerned, the Remuneration Policy, does not envisage deferred payment systems.

In relation to the variable components of remuneration recognised in favour of Executive Directors, contractual agreements are envisaged, allowing the Company to request the full or partial refund of the variable components of the remuneration paid (or to withhold sums subject to deferral), determined on the basis of data which, as proven by the competent company departments within a set term of disbursement, are shown to be manifestly incorrect (so-called clawback clause). The effective application of the clawback clauses is subject to a binding assessment by the Company's Board of Directors.

(k) information on any provision of clauses for holding financial instruments in the portfolio after their acquisition, indicating the retention periods and the criteria used to determine such periods

The Remuneration Policy does not envisage the inclusion in the share-based incentive plans of clauses for the retention of financial instruments in the portfolio after their acquisition, although it does envisage that their partial delivery may be extended to subsequent years with respect to the vesting of the relative rights.

l) the policy relating to the treatments envisaged in the event of expiry of office or termination of employment, specifying which circumstances determine the entitlement and the possible link between such treatments and the company's performance

It is not Company practice to enter into agreements with the Directors that regulate ex ante the economic aspects relating to the possible early termination of the relationship by the Company or the individual.

It is not Company practice to enter into agreements with Executives with strategic responsibilities that regulate ex ante the economic aspects relating to the possible early termination of the relationship by the Company or the individual, notwithstanding legal obligations or those envisaged by collective labour agreements. The Company may, however, enter into non-competition agreements with Executives.

m) information on the presence of any insurance coverage, i.e. social security or pension plans, other than compulsory coverage

Non-monetary benefits may include, by way of example, any supplementary social security, insurance and health policies envisaged by the collective national labour contract for Industrial and Commercial Executives (e.g.: Fondo Mario Negri, Fondo Pastore, Fasdac, Fasi and Previndai as well as an extra professional life and accident insurance policy).

On this matter, it should be noted that, at the board meeting held on 24 August 2018, the Board of Directors resolved to make available a supplementary pension and/or insurance policy, with the four executive directors as beneficiaries, for an annual amount of Euro 12,000 each, for the three-year period from 2018 to 2021.

(n) any remuneration policy followed, with reference: (i) independent directors, (ii) participation in committees and (iii) the performance of particular duties (chairman, deputy chairman, etc.)

Non-executive Directors and Independent Directors receive an additional fixed annual fee as members of the committees established within the Board of Directors, with an increase if the Director holds the office of Committee Chairman.

For further information on the matter, as well as information on the remuneration of Directors who perform special functions, such as Chairman, please see paragraph e), points (i) and (ii) above.

o) whether the remuneration policy has been defined using the remuneration policies of other companies as reference and, if so, the criteria used for the selection of such companies

No other companies' remuneration policies were used as a reference in the definition of the Remuneration Policy, although a benchmark analysis was carried out on companies comparable to the Sesa Group companies.

SECTION II

This Section is divided into two parts and clearly and comprehensibly explains, by name:

- a) in the first part, to the remuneration of members of the boards of directors and statutory auditors, as well as executives with strategic responsibilities, providing a representation of each of the items constituting remuneration, including the procedures envisaged in the event of expiry of office or termination of employment, highlighting their consistency with the Company's remuneration policy for the year of reference;
- b) in the second part, it analytically illustrates the remuneration paid in the year of reference (1 May 2019 - 30 April 2020) for any reason and in any form by the Company and its subsidiaries and associated companies.

Lastly, this Section indicates, in accordance with the criteria envisaged in Annex 3A, Schedule 7-ter of the Issuers' Regulations, the investments held, in the Issuer and its subsidiaries, by members of the boards of directors and statutory auditors, the general manager and other Executives with strategic responsibilities, as well as by spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or third parties, resulting from the shareholders' register, communications received and other information acquired by the members of the boards of directors and statutory auditors, the general manager and other Executives with strategic responsibilities.

Starting with the Report on the Remuneration Policy and Payments Made for 2021-2022, the second section also explains how the Company took into account the vote cast the previous year on the second section of the Report, pursuant to article 123-ter, paragraph 4, letter b-bis), TUF. To this end, it should be noted that the second section of the 2018-2019 Remuneration Report, in line with that envisaged by the relevant regulations at the time, was not subject to a vote at the Shareholders' Meeting held on 27 August 2019.

SECTION II - PART ONE - REMUNERATION ITEMS

In the first part, it provides an adequate representation of each of the items constituting remuneration, including the

procedures envisaged in the event of expiry of office or termination of employment, highlighting their consistency with the remuneration policy for the year of reference.

Remuneration of Directors and Executives with strategic responsibilities

As mentioned above, the Shareholders' Meeting held on 24 August 2018 appointed the Board of Directors currently in office for three years, i.e. until the approval of the financial statements for the year ending 30 April 2021, establishing the number of Board members as eight.

The Board of Directors in office is made up as follows:

- Paolo Castellacci (Executive Chairman)
- Moreno Gaini (Deputy Executive Chairman)
- Giovanni Moriani (Deputy Executive Chairman)
- Alessandro Fabbroni (Managing Director)
- Angelica Pelizzari (Non-executive director)
- Maria Chiara Mosca (Independent Director)
- Claudio Berretti (Non-executive director)
- Angela Oggionni (Independent Director)

The Board of Directors was appointed by the Shareholders' Meeting on 24 August 2018.

On this subject, you are reminded that the Director Claudio Berretti was appointed by co-optation during the Year on 27 August 2019, following the resignation of the Director Luigi Gola submitted on the same date.

At the time of renewal of the Issuer's company boards, the ordinary Shareholders' Meeting resolved the total amount of the annual payments due to the entire board of directors for the years for which the Board shall remain in office, as indicated below:

- Euro 691,000 for year 1 May 2018 - 30 April 2019;
- Euro 691,000 for year 1 May 2019 - 30 April 2020;
- Euro 691,000 for year 1 May 2020 - 30 April 2021;
- Euro 42,917 a month for the period from 30 April 2021 until the date of approval of the financial statements closed at 31 April 2021.

The Board of Directors, during the meeting held on 24 August 2018, resolved to make the gross payments for the year. In particular, during the afore-mentioned meeting on 24 August 2018, the Board resolved to pay the gross payments to the Directors for the year from 1 May 2019 to 30 April 2020, as illustrated below:

- fixed payment (RAL) of Euro 236,000 for the Chairman of the Board of Directors, Mr Paolo Castellacci;
- fixed payment (RAL) of Euro 45,000 for each executive board member;
- fixed payment (RAL) of Euro 24,000 for each non-executive board member;
- variable payment (RAL) of Euro 36,000 for the Chairman of the Board of Directors, Mr Paolo Castellacci;
- variable payment (RAL) of Euro 20,000 for each executive board member;

It should be noted that, unlike the Chairman, the Executive Deputy Chairmen and the Managing Director receive, in addition to their remuneration as directors of the parent company Sesa, further remuneration as executives and/or directors of group companies as detailed in Table 1 annexed to this Report.

It should also be noted that, following the resolution of the Shareholders' Meeting held on 24 August 2018, the Board of Directors had appointed the Board of Directors, until approval of the financial statements for the year ending 30 April 2021:

- as members of the Strategy Committee, the Directors Paolo Castellacci (Chairman), Alessandro Fabbroni, Luigi Gola, Angelica Pelizzari and Giovanni Moriani.
- as members of the Remuneration Committee, the Directors Luigi Gola (Independent Director and Chairman), Angela Oggionni (Independent Director) and Maria Chiara Mosca (Independent Director).
- as members of the Audit and Risks Committee, the Directors Maria Chiara Mosca (Independent Director acting as Chairman), Luigi Gola (Independent Director) and Angela Oggionni (Independent Director). On this matter, it should be noted that the Issuer has identified the Audit and Risks Committee as the body responsible for transactions with related parties.

On this matter, it should be noted that, following the resignation of Luigi Gola on 27 August 2019 and his replacement by co-optation with Claudio Berretti, which took place on the same date, the Board of Directors has supplemented the

composition of the aforesaid Committees by appointing Claudio Berretti as replacement for the resigning Director in all three, and assigning the role of Chairman of the Remuneration Committee to Angela Oggioni.

The above Committees are therefore made up as follows:

- the Strategic Committee is currently made up of the Directors Paolo Castellacci (Chairman), Alessandro Fabbroni, Giovanni Moriani, Angelica Pelizzari and Claudio Berretti.
- the Remuneration Committee is currently made up of the Directors Angela Oggioni (Independent Director and Chairman of the Committee), Maria Chiara Mosca (Independent Director), Claudio Berretti (Non-executive Director);
- the Audit and Risks Committee is currently made up of the Directors Maria Chiara Mosca (Independent Director acting as Chairman), Claudio Berretti (Non-executive Director) and Angela Oggioni (Independent Director).

Lastly, Alessandro Fabbroni has been confirmed as Director in charge of internal audit.

During the session held on 24 August 2018, the Board of Directors resolved to assign (i) to the Chairman of the Remuneration Committee, a gross emolument of Euro 8,000 and, to the other members, a gross emolument of Euro 6,000 for the pursuit of the activities connected to their office; (ii) to the Chairman of the Risks and Control Committee, a gross emolument of Euro 8,000 and, to the other members, a gross emolument of Euro 6,000 per year, for the pursuit of the activities connected to their office; (iii) to the Chairman of the Strategic Committee, a gross emolument of Euro 8,000 and, to the other members, a gross emolument of Euro 6,000 for the year for the pursuit of the activities relating to the office; (iv) to the Appointed Director, a gross payment of Euro 8,000 for the year.

The remuneration of Non-executive Directors and Independent Directors is, therefore, made up of a fixed annual remuneration and a remuneration for participation in committees as explained above.

The remuneration of the executive Directors for the year consisted of a fixed payment and a variable payment (both of monetary nature and based on financial instruments; cf herein).

The variable monetary payment is determined on the basis of reaching specific annual quantitative targets related to performance indices. For the year from 1 May 2019 to 30 April 2020, a total variable monetary component of Euro 96,000 gross was paid, as shown in Table 1.

As regards the variable remuneration component based on financial instruments, you are reminded that the Ordinary Shareholders' Meeting held on 25 August 2017 approved the "2018-2020 Stock Grant Plan" and that the meeting of the Board of Directors held on 13 September 2017, at the proposal of the Remuneration Committee, and with the favourable opinion of the Board of Statutory Auditors, (i) identified the beneficiaries of the Plan as the Company's four Executive Directors, (Paolo Castellacci - Chairman, Giovanni Moriani - Deputy Chairman, Alessandro Fabbroni - Managing Director and Moreno Gaini - Deputy Chairman), along with the executive directors with commercial mandates of the subsidiaries Var Group S.p.A. and Computer Gross S.p.A., and (ii) resolved to assign them the right to free receipt, subject to reaching both the annual and three-year value creation targets at Group level (EBITDA, net financial position and EVA) set for 2018, 2019 and 2020, of the total of 189,000 ordinary shares at the service of the 2018-2020 Stock Grant Plan, as follows. for each of the four executive directors of Sesa: 9,000 Annual Shares (as defined in the report drawn up in compliance art. 84-bis Issuers' Regulation) for each tax year, and 13,500 Three-Year Shares (as defined in the report drawn up in compliance art. 84-bis Issuers' Regulation);

- for each of the two executive directors with commercial mandates in the Subsidiaries: 3,000 Annual Shares for each tax year and 4,500 Three-year Shares.

On 14 July 2020, the Board of Directors, having heard the opinion of the Remuneration Committee checked that the Annual Target for the year from 1 May 2018 to 30 April 2020 and the Three-year Target had been reached.

The Board of Directors then assigned the beneficiaries of the Plan 63,000 ordinary shares in the Company (13,500 of which to each executive director of the Issuer and 4,500 to each executive director with commercial mandates of the subsidiaries Var Group S.p.A. and Computer Gross S.p.A.), corresponding to the total number of shares relating to the achievement of the three-year performance target.

As regards the achievement of the annual performance target (equating to a total of 42,000 shares, 9,000 of which for each executive director of the Issuer and 3,000 for each executive director with commercial mandates of the subsidiaries Var Group S.p.A. and Computer Gross S.p.A.), the beneficiaries of the Plan declared - prior to the Board meeting - the waiver, as already announced to the market in the press release dated 5 June 2020, of the allocation of the aforesaid shares upon the achievement of the targets. Consequently, the Board of Directors resolved not to allocate these shares.

The remuneration of the Executive Directors also envisages fringe benefits, such as pension, insurance and additional healthcare policies, as envisaged by the collective national labour contract for Industrial and Commercial Executives (e.g.: Fondo Mario Negri, Fondo Pastore, Fasdac, Fasi and Previndai as well as an extra professional life and accident insurance policy).

On this matter, it should be noted that, at the board meeting held on 24 August 2018, the Board of Directors resolved to

make available a supplementary pension and/or insurance policy, with the four executive directors as beneficiaries, for an annual amount of Euro 12,000 each, for the three-year period from 2018 to 2021. No other non-monetary benefits are envisaged in the year ended 30 April 2020.

With particular reference to the agreements that envisage indemnities in the event of early termination of the relationship, SeSa and the Group companies indicate that no agreements were signed for advance regulation of the acknowledgement of such indemnities.

The remuneration of Executives with strategic responsibilities (who also hold office as Executive Director) for the year of reference consisted of a fixed payment. On this matter, it should be noted that, as things stand, in addition to the two Executive Directors who also hold the office of Executives with strategic responsibilities, there are no other persons who hold this office in the Issuer's structure.

No agreements were entered into with Executives with strategic responsibilities which regulate ex ante the economic aspects in the event of termination of office or relating to the possible early dissolution of the relationship by the Company or the party concerned.

Appointment of the Statutory Auditors

The Board of Statutory Auditors in office is made up as follows:

- Giuseppe Cerati (Chairman);
- Chiara Pieragnoli (Standing Auditor);
- Luca Parenti (Standing Auditor- resigning from office *in prorogatio*);
- Paola Carrara (Supplementary Auditor).

The Board of Statutory auditors currently in office was appointed by the Shareholders' Meeting held on 24 August 2018 and will remain in office until the approval of the financial statements relating to the year ended 30 April 2021 with the exclusion of Mr Parenti, as indicated below.

In this regard, it should be noted that, on 14 July 2020, the alternate auditor Fabrizio Berti (taken from the list presented by the majority shareholder ITH S.p.A.) resigned from the aforesaid office.

On the same date, Luca Parenti (standing auditor also taken from the list presented by the majority shareholder ITH S.p.A.) also resigned, but remained in office in prorogatio until the Shareholders' Meeting reformed the Board of Statutory Auditors, as there were no alternate auditors taken from the same list to complete the Board of Statutory Auditors.

Consequently, on July 14, 2020, the Board of Directors convened a Shareholders' Meeting for 28 August 2020, by first call, or 29 August 2020, by second call, including in the agenda the appointment of a Standing Auditor and an Alternate Auditor, pursuant to Article 2401, paragraphs 1 and 3, of the Italian Civil Code, and article 21 of the Articles of Association.

The Statutory Auditors' remuneration consists of a fixed amount determined by the Shareholders' Meeting, including the reimbursement of expenses sustained in the fulfilment of their duties. In particular, the aforesaid Shareholders' Meeting held on 24 August 2018 resolved to determine the annual emoluments of the Statutory Auditors for the entire duration of their term of office as Euro 30,000.00 (thirty thousand) for the Chairman and Euro 20,000.00 (twenty thousand) for the Standing Auditors, in addition to the reimbursement of out-of-pocket expenses incurred in the fulfilment of their duties.

No monetary or non-monetary benefits are envisaged in favour of Statutory Auditors

SECTION II - PART TWO - ANALYTICAL REPRESENTATION OF REMUNERATION PAID DURING THE YEAR

The second part provides a detailed breakdown of the remuneration paid in the year of reference for any reason and in any form by the Company and its subsidiaries and associated companies, as shown in the tables below.

The information in Tables 1, 3A and 3B is provided separately with reference to offices held in the company preparing the financial statements and those held in subsidiaries and associates, both listed and otherwise. It includes all those who have held, office as a member of the boards of directors or statutory auditors, general manager or executive with strategic responsibilities for even a fraction of the year.

Fixed remuneration: the fixed emoluments gross of tax and social security charges payable by the beneficiary, as resolved by the Board of Directors, are indicated on an accruals basis;

Employees' salaries: these are shown, gross of tax and social security charges payable by the employee, on an accruals basis, excluding the compulsory collective social security charges payable by the Company and the amount accrued as severance indemnities. The reimbursement of lump-sum expenses is included.

Remuneration for participation in Committees: the remuneration due to Directors for chairmanship or participation in any Committees, in accordance with criteria defined by the Board of Directors, is shown on an accruals basis. An indication of the committees of which the Director is a member and the role held therein, as well as the remuneration receives for each of them, is provided in the notes.

Bonuses and other incentives: the variable emoluments gross of tax and social security charges payable by the beneficiary, as resolved by the Board of Directors, are indicated on an accruals basis.

Profit sharing: no profit sharing took place during the period of reference.

Non-monetary benefits: the value of fringe benefits is indicated, in accordance with tax and social security contribution criteria, including any pension, insurance and additional healthcare policies, as envisaged by the collective national labour contract for Industrial and Commercial Executives (e.g.: Fondo Mario Negri, Fondo Pastore, Fasdac, Fasi and Previndai as well as an extra professional life and accident insurance policy).

Other remuneration: during the reference period there was no additional remuneration deriving from other services rendered.

Total: the total value of fixed and variable emoluments and salaries is indicated in addition to the amounts paid as non-monetary benefits.

The Total is subsequently divided between amounts paid directly by SeSa S.p.A. and amounts paid by other subsidiaries.

Equity Remuneration Fair Value: during the period of reference, equity remuneration accrued in relation to the incentive plan based on financial instruments matured. The "Equity Remuneration Fair Value" column shows the Fair Value accrued during the year relating to the existing stock grant plan, determined in accordance with international accounting standards.

Indemnity payable upon expiry of office or termination of employment: no value is indicated as there are no agreements envisaging indemnities in the event of early termination of the relationship.

TABLE 1: Remuneration paid during the year to members of the boards of directors and statutory auditors, general managers and other executives with strategic responsibilities.

Nome e Cognome	Carica ricoperta	Periodo per cui è stata ricoperta la carica	Compensi Fissi		Compensi variabili non equity					Totale Monetario	di cui SeSa SpA	di cui controllate	Fair Value Compensi Equity (2)
			Compensi Fissi	Retribuzione Lav. Dipend.	Compensi Comitati (1)	Bonus e altri incentivi	Partecipazione agli utili	Benefici non monetari	Altri Compensi				
Paolo Castellacci (i)	Presidente	01/05/19 - 30/04/20	236.000		8.000	36.000			12.000	292.000	292.000	-	299.340
Moreno Gaini	Vice Pres. Esecutivo	01/05/19 - 30/04/20	122.180	92.160	-	20.000			27.925	262.265	185.085	77.180	299.340
Giovanni Moriani (ii)	Vice Pres. Esecutivo	01/05/19 - 30/04/20	101.640	100.208	6.000	20.000			18.928	246.776	70.768	176.008	299.340
Alessandro Fabbroni (iii)	Amm. Delegato	01/05/19 - 30/04/20	85.000	154.572	14.000	20.000			27.925	301.497	261.497	40.000	299.340
Angela Oggionni (iv)	Amministratore	01/05/19 - 30/04/20	24.000		13.360	-				37.360	37.360	-	
Maria Chiara Mosca (v)	Amministratore	01/05/19 - 30/04/20	24.000		14.000	-				38.000	38.000	-	
Angelica Pelizzari (vi)	Amministratore	01/05/19 - 30/04/20	24.000		6.000	-				30.000	30.000	-	
Berretti Claudio (vii)	Amministratore	27/08/19 - 30/04/20	16.323		12.240	-				28.563	28.563	-	
Gola Luigi	Amministratore	01/05/19 - 27/08/19	7.677		6.397	-				14.074	14.074	-	
										-			
Giuseppe Cerati	Pres. Collegio Sind.	01/05/19 - 30/04/20	36.000		-	-				36.000	36.000		
Luca Parenti	Sindaco effettivo	01/05/19 - 30/04/20	43.000		-	-				43.000	28.000	15.000	
Chiara Pieragnoli	Sindaco effettivo	01/05/19 - 30/04/20	26.000		-	-				26.000	26.000		
Totale Compensi Corrisposti			745.820	346.940	79.997	96.000	-	86.778	-	1.355.536	1.047.348	308.188	1.197.360

(i) Presidente CS; (ii) Membro CS; (iii) Membro CS e amministratore incaricato controllo interno; (iv) Membro CCR, Presidente CR; (v) Presidente CCR e membro CR; (vi) Membro CS; (vii) Membro CS, membro CR, membro CCR

(1) Compensi Presidente eu 8.000, membro eu 6.000

(2) Controvalore delle azioni trasferite nell' esercizio in attuazione del piano di stock grant approvato il 14.07.17 valorizzate ad euro 33,26 (media 30gg antecedenti il trasferimento)

I Compensi Fissi del Collegio Sindacale sono inclusivi dei compensi per l'attività di OdV

Table 3A. Incentive plans based on financial instruments, other than stock options, for members of the board of directors, general managers and other key executives with strategic responsibilities.

Tipo	Nome e Cognome	Carica	Piano (1)	Strumenti finanziari assegnati negli esercizi precedenti non vested nel corso dell'esercizio (2)		Strumenti finanziari assegnati nel corso dell'esercizio				Strumenti finanziari vested nel corso dell'esercizio e non attribuiti	Strumenti finanziari vested nel corso dell'esercizio e attribuibili		Strumenti finanziari di competenza dell'esercizio
				Numero e tipologia strumenti finanziari	Periodi di vesting	Numero e tipologia di strumenti finanziari	Fair value alla data di assegnazione	Periodo di vesting	Data di assegnazione		Prezzo di mercato all'assegnazione	Numero e tipologia strumenti finanziari	
Compensi nella società che redige il bilancio	Paolo Castellacci	Presidente SeSa S.p.A.	Piano approvato dall'Assemblea a Soci del 25.08.17	22.500 azioni ordinarie SeSa S.p.A.	01.05.2018 - 30.04.2020						9.000	350.730	328.455
	Giovanni Moriani	Vice Presidente Esecutivo SeSa S.p.A.	Piano approvato dall'Assemblea a Soci del 25.08.17	22.500 azioni ordinarie SeSa S.p.A.	01.05.2018 - 30.04.2020						9.000	350.730	328.455
	Moreno Gaini	Vice Presidente Esecutivo SeSa S.p.A.	Piano approvato dall'Assemblea a Soci del 25.08.17	22.500 azioni ordinarie SeSa S.p.A.	01.05.2018 - 30.04.2020						9.000	350.730	328.455
	Alessandro Fabbroni	Amministratore Delegato SeSa S.p.A.	Piano approvato dall'Assemblea a Soci del 25.08.17	22.500 azioni ordinarie SeSa S.p.A.	01.05.2018 - 30.04.2020						9.000	350.730	328.455
	Duccio Castellacci	Consigliere Delegato Computer Gross Italia S.p.A.	Piano approvato dall'Assemblea a Soci del 25.08.17	7.500 azioni ordinarie SeSa S.p.A.	01.05.2018 - 30.04.2020						3.000	116.910	109.485
	Francesca Moriani	Consigliere Delegato Var Group S.p.A.	Piano approvato dall'Assemblea a Soci del 25.08.17	7.500 azioni ordinarie SeSa S.p.A.	01.05.2018 - 30.04.2020						3.000	116.910	109.485
	Totale				105.000							42.000	1.636.740

(1) Piano di stock grant approvato dall'Assemblea dei soci del 25/8/2017 riguardante un totale di 189.000 azioni di cui 126.000 legate al raggiungimento di obiettivi annuali nel periodo di 3 esercizi al 30/4/2018 - 30/4/2019 e 30/4/2020 e 63.000 azioni triennali legate al raggiungimento di obiettivi di creazione di valore

(2) Piano di stock grant assegnato il 25.08.17 per un totale di 189.000 azioni al netto di 84.000 azioni attribuite in data 11.09.18 e 11.09.19

(3) Media dei prezzi di mercato nei 12 mesi dell'anno fiscale al 30.04.2020 (euro 38,97 per azione)

(4) Costo figurativo di competenza dell'esercizio rilevato secondo i principi IFRS (euro 24,33 per azione pari al prezzo di chiusura del 25.08.17) tenuto conto della rinuncia della quota di azioni relative al piano annuale per un totale di n. 42.000 azioni

Table 3B. Monetary incentive plans for members of the board of directors and Executives with strategic responsibilities.

Nome e cognome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			Erogabile/ Erogato	Differito	Periodo di differimento	Non più erogabili	Erogabile/ Erogati	Ancora Differiti	
Paolo Castellacci	Presidente SeSa S.p.A.								
Compensi nella società che redige il bilancio		CdA 24.8.2018	36.000						
Compensi da controllate/collegate									
Totale			36.000						

Nome e cognome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			Erogabile/ Erogato	Differito	Periodo di differimento	Non più erogabili	Erogabile/ Erogati	Ancora Differiti	
Giovanni Moriani	Vice Presidente Esecutivo SeSa S.p.A.								
Compensi nella società che redige il bilancio		CdA 24.8.2018	20.000						
Compensi da controllate/collegate									
Totale			20.000						

Nome e cognome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			Erogabile/ Erogato	Differito	Periodo di differimento	Non più erogabili	Erogabile/ Erogati	Ancora Differiti	
Moreno Gaini	Vice Presidente Esecutivo SeSa S.p.A.								
Compensi nella società che redige il bilancio		CdA 24.8.2018	20.000						
Compensi da controllate/collegate									
Totale			20.000						

Nome e cognome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			Erogabile/ Erogato	Differito	Periodo di differimento	Non più erogabili	Erogabile/ Erogati	Ancora Differiti	
Alessandro Fabbroni	Amministratore Delegato SeSa S.p.A.								
Compensi nella società che redige il bilancio		CdA 24.8.2018	20.000						
Compensi da controllate/collegate									
Totale			20.000						

SECTION II - PART THREE - INVESTMENTS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

Information on the investments held, in the Company and its subsidiaries, by members of the boards of directors and statutory auditors, General Managers and Executives with strategic responsibilities, as well as by spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or third parties, resulting from the shareholders' register, communications received and from other information acquired by the members of the boards of directors and statutory auditors, General Managers and Executives with strategic responsibilities, is provided below. The members of the boards of directors and statutory auditors, general managers and executives with strategic responsibilities, as well as spouses who are not legally separated and minor children, either directly or through subsidiaries, trust companies or third parties, do not hold investments in the Company or its subsidiaries at 30 April 2020, with the exception of the Chairman and the Executive Deputy Chairman as illustrated below:

Nome e cognome	Carica	Società	Numero azioni possedute alla fine dell'esercizio precedente	Numero azioni acquisite*	Numero azioni vendute	Numero azioni possedute alla fine dell'esercizio in corso
Paolo Castellacci	Presidente Esecutivo SeSa S.p.A.	Sesa SpA	26.418	9.000	5.500	29.918
Giovanni Moriani	Vice Presidente Esecutivo SeSa S.p.A.	Sesa SpA	20.418	9.000	5.500	23.918

* Numero azioni attribuite a seguito di piani di stock grant

Information pursuant to article 84-bis, paragraph 5, of the Issuers' Regulations
REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS - Table no. 1 of schedule 7 of annex 3A of the Issuers' Regulations

Nominativo o categoria	Carica (da indicare solo per i soggetti riportati nominativamente)	QUADRO 1						
		Strumenti finanziari diversi dalle opzioni						
		SEZIONE 1						
		Strumenti relativi a piani, in corso di validità, approvati sulla base di precedenti delibere assembleari						
		Data della delibera assembleare	Descrizione strumento	Numero strumenti finanziari	Data di assegnazione da parte dell'organo competente (CdA)	Eventuale prezzo di acquisto	Prezzo di mercato alla data di assegnazione (*)	Periodo di Vesting
Paolo Castellacci	Presidente SeSa S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	9.000	11.09.2019		Euro 24,33	
Giovanni Moriani	Vice Presidente Esecutivo SeSa S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	9.000	11.09.2019		Euro 24,33	
Moreno Gaini	Vice Presidente Esecutivo SeSa S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	9.000	11.09.2019		Euro 24,33	
Alessandro Fabbroni	Amministratore Delegato SeSa S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	9.000	11.09.2019		Euro 24,33	
Duccio Castellacci	Consigliere Delegato Computer Gross Italia S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	3.000	11.09.2019		Euro 24,33	
Francesca Moriani	Consigliere Delegato Var Group S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	3.000	11.09.2019		Euro 24,33	

(*) Prezzo per azione alla data di assegnazione del piano (25.08.2017)